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NIE #10 DRAFT  
WCM:mjm  
8 January 1951

COMMUNIST CHINA

Assumption: That there will be no general war between the US and China and/or the USSR.

Internal Position and Prospects of the Regime

1. For the foreseeable future, the Chinese Communist regime, (unless dislodged from power by strong outside forces,) will retain exclusive governmental control of mainland China. The Chinese Communist Party is in firm control of the government of the Chinese People's Republic, and the regime under present circumstances is capable of containing and controlling opposition elements. It is capable of playing an effective role in the Soviet-Communist power-complex.

a. There is no firm evidence of a major split within the government or the Communist Party, although the diversity of background among the party leaders and the multiplicity of factors which will affect party cohesion as new situations develop suggest that an eventual cleavage within the party is not beyond the realm of possibility.

b. The Chinese Communist armed forces are an instrument of the party and are loyal to it; at present the army is the backbone of the regime's control over mainland China.

c. Widespread anti-Communist activity exists in mainland China, particularly in the newly-occupied areas of Central, South and Southwest China. Adequate information is not available to measure the precise effectiveness of these dissident groups, who range in orientation from professional bandits to loyal Kuomintang supporters. Those organized into quasi-military forces appear to be weak and isolated. Even those

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loosely operating under the Chinese Nationalists (perhaps as many as 300,000) lack logistical support, central control and communications. A sustained attack in force against the mainland probably could gain support from a much larger number of opposition elements if funds and materials were supplied in quantity. Harassment of the Communist regime would be possible if modest logistical support were extended to local leaders now in charge. An effective guerrilla movement would probably require a highly organized and centralized system to coordinate and supply the various opposition groups and to provide competent leadership. The Kuomintang forces are the only ones known to have broad political pretensions, but the Kuomintang as a government has been thoroughly discredited and is incapable of attracting widespread support.

d. The Chinese Communist regime has gained active support among important urban elements and passive acceptance among many other, including rural, elements, who find the Communist administration more honest and competent than its predecessors. Popular discontent does exist, but -- given the long history of the Chinese peoples patiently sustaining misery -- there is no reason to believe that this discontent will spontaneously result in organized efforts to overthrow the Communist regime. Some progress toward improvement of economic conditions has been made and sufficient progress toward controlling the economy has been made that critical economic situations can be kept within manageable proportions. The basic economic conditions of China continue to be, as always, overpopulation, a rural economy, lack of industrial capital, and lack of trained manpower, and the Chinese regime must improve these conditions if in the long run it is to gain and hold the active support of the Chinese people. Whether or not it makes

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substantial progress toward their solution the Communist regime can and will suppress opposition by police-state methods for a long time to come.

General Objectives of Communist China

2. The Chinese Communists have as their main immediate objective the conquest of all of China, including Taiwan, and the eradication of both Western and Kuomintang influence from China. Beyond this, the announced aim of the Chinese Communist leaders is to create a new Chinese society based on Marxist ideology and at least semi-socialist in economic structure, to achieve national autonomy for China, and to advance the cause of a world Communist society. Since the success of their revolution in China, the Communist leaders have sacrificed economic reconstruction at home in the interest of contributing to world Communist aims in Korea and Indochina, of eliminating the vestiges of Western and Kuomintang influence from East Asia as a whole, of establishing itself as leader of the Asian Communist movement, and of gaining recognition of Communist China as a sovereign nation.

3. By pursuing those objectives in close association with the USSR and in seeking to eliminate Western influence from Asia, the Chinese Communists are following a course in which each Chinese achievement concurrently diminishes the strategic and power position of the United States and its allies relative to the position of the USSR and its satellites. Communist China's achievement of those objectives in the Far East on the one hand would improve the joint power position of China and the USSR, and on the other hand it would tend to strengthen the power position of China in relation to the USSR.

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4-b. Chinese Communist troops in sufficient quantity could easily be disposed along the mainland opposite Taiwan, and water lift for as many as 200,000 troops probably could be procured. The Communist Air Force is at least the equivalent of the Nationalist Air Force. With additional aircraft and trained crews, it might be able to cover an invasion fleet despite US Naval forces. If the Chinese Communists are able to close out the Korean operation without heavy attrition of supplies and air forces-in-being, an assault on Taiwan this year might be attempted. There is at present, however, no indication that such an assault is in preparation.

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Intentions and Capabilities Concerning Taiwan

4. The Chinese Communists will not have achieved full success in their revolution until they have conquered Taiwan, an objective to which they are publicly committed, and by virtue of having captured the last stronghold of the Kuomintang regime have obliged the world to acknowledge Communist China as the only government of China. An attack on Taiwan could succeed in the face of US Naval opposition only if the USSR provided greater air strength than it has so far provided the Communists and/or if the USSR should provide open or covert submarine support.

a. Although the Nationalists have considerable ground and air strength on Taiwan, it is doubtful that they could successfully defend the island against a sustained 25X1

25X1 assault unless supported by US air and ground forces.

b. Chinese Communist armies numbering approximately 300,000 men are disposed along the mainland opposite Taiwan and have water lift available for 200,000 troops. The Communist Air Force is at least the equivalent of the Nationalist Air Force. With additional aircraft and trained crews, it might be able to cover an invasion fleet despite US Naval forces. An amphibious assault on Taiwan might well be attempted during favorable weather (April through August 1951).

c. Considerable Soviet covert military support is a probability if Chinese Communist and Soviet leaders determined that the Chinese Communist forces alone could not successfully take Taiwan. In view of the support extended in Korea, the disagreement be-

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Communist China's External Military Capabilities and Intentions

5. The mounting scale of the Chinese Communist intervention in Korea and the unwillingness of the Chinese Communists to discuss terms of a diplomatic settlement indicate that their intention is to drive UN forces out of Korea. Whether they have the capability of doing so within the near future depends upon the extent of the military commitment of US forces and upon the nature and extent of Western counteraction against China proper. The Chinese Communists also have the capability, if not interdicted by Western counteraction, of intervening effectively in Indochina, Thailand and Burma. Without overt intervention, they can and probably will increase aid to the Viet Minh in Indochina to the point where the French position will become untenable. Whether the Chinese Communists possess the military capability of simultaneously pursuing the offensive in Korea, assaulting Taiwan, intervening effectively in mainland Southeast Asia, and combatting dissident groups within China depends upon factors which cannot be assessed at the present time. If the US commitment in Korea, Taiwan and Southeast Asia is not increased, if guerrilla and sabotage activity in mainland China are not rapidly coordinated and supplied, or if other counteraction is not employed, it is probable that the Chinese Communists with a modicum of redeployment and further preparation could simultaneously pursue a variety of military objectives. There is no evidence that the Chinese Communists have determined upon overt action against Southeast Asia; we believe that they will limit their activities there to covert activity and to internal and dip-

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lomatic pressure until they have fully assessed US policy, the extent of Western cohesion and determination, and their own capabilities to overcome such Western counteraction as had been or appeared likely to be applied. It is doubtful that any Chinese Communist aggressive plans against Taiwan or Southeast Asia would be inhibited by any Soviet reluctance to permit the development of Chinese hegemony in Asia; the USSR apparently has already chosen to run that risk in approving Chinese intervention in Korea and Indochina.

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tween the US and its allies over Taiwan, and the strategic value of Taiwan, the USSR probably would not consider the risks of additional covert support, even in the form of Soviet submarines flying the Chinese flag, too great a risk to run.

Communist China's Capabilities in Southeast Asia

5. The Chinese Communist objective of eliminating all Western influence from Asia, in view of China's preponderant military strength and the relative defenselessness of its neighbors, poses a threat to all of mainland Southeast Asia. Should China and the USSR decide upon a program of overt Chinese aggression, the Chinese have the military capability of effectively intervening in Southeast Asia concurrently with the Korean war. (Unless interdicted by UN or US sanctions,) aid to the Viet Minh in Indochina probably will be increased to the point where the French position will become untenable. Communist control over Indochina would probably produce governments at least sympathetic to Communism in Burma and Thailand, and Communist pressure on the Malay peninsula would be greatly increased. Subversive activity in other Asian countries (India, Indonesia and the Philippines) would probably increase, and although these countries would probably be able to cope with their internal problems, they would be unable or unwilling to take action outside their own borders. A possible limiting factor would be Soviet reluctance to permit China to achieve too much authority within the Communist movement. However, the USSR apparently has chosen to run this risk in approving Chinese intervention in Korea and Indochina, and there is no reason to believe that the USSR would disapprove a further expansion of Chinese Communist influence in Southeast Asia.

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Vulnerability of Communist China

6. Communist China's <sup>freedom of action</sup> maneuverability is limited by the extent of its economic vulnerability to economic warfare, Naval blockade and sabotage, and by its vulnerability to direct aerial attack.

a. Curtailment of foreign trade by Western controls or embargos would handicap, but alone not seriously damage, Chinese economic activity and military potential. Already as much as one-third of Chinese imports come from the USSR, and presumably the USSR could increase the flow provided there were no higher priority uses of Soviet production and provided transport facilities were developed or improved in efficiency. The complete elimination of exports from non-Soviet sources would, however, at least for an initial period, handicap industrial development and military and civilian production. It would create unemployment, disturb the always precarious Chinese financial and domestic trade structure, and aggravate government financial and administrative problems. This might cause some delay in any external military efforts and might increase domestic political control problems. An intensive sabotage program and a Naval blockade superimposed upon trade controls would produce a more precipitous and aggravated effect.

b. Communist China's vulnerability to aerial bombardment is greater than to curtailment or elimination of non-Soviet trade. Air operations against the Manchurian rail system would minimize the possibility of compensating <sup>imports</sup> exports from the USSR. Destruction of industrial capacity and storage bases would not only reduce military potential, but would tie down military forces because of internal control problems and inability to solve logistical problems. An effective bombardment program, in addition to

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*What would be Chinese reaction?*

the employment of a blockade, embargo, and sabotage, would render a sustained external military effort improbable and might eventually neutralize China.\*

#### Foundations of Sino-Soviet Relations

7. Ultimately, the final substance of Chinese objectives and the prospect of achieving them depends not only upon Chinese economic and military capabilities and upon the nature and extent of Western counteraction, but also upon the foundations and evolution of Communist China's relations with the USSR. The binding tie between the Chinese Communists and the USSR is a common interest in the preservation and promotion of the world Communist movement. All the relevant evidence at the moment indicates that the Chinese Communist Party is acting on the thesis that its present and future, as well as that of world Communism, is bound to the present and future of the USSR. Coordination of policy with the USSR is therefore essential, and the Chinese Communists have committed themselves to an association with Moscow in about the most overt fashion possible. This fact, however, should not be regarded as an immutable principle, since there are factors and conditions which could result either in a complete subordination of China to the USSR or in a shift away from the present close cooperation with the USSR.

#### The Soviet Economic and Military Support Program

8. One of these factors is the Soviet program of providing economic and military assistance to the Chinese Communist regime. The Soviet support program could either en-

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\* In line with the assumption of this paper, no consideration is given to the prospect that the operations specified above might lead to a general war with China or be carried out as a part of such a war, nor is any consideration given to the possible reactions of the USSR to such operations.

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hance or limit the capabilities of the Communist regime to achieve its objectives. Insofar as Communist China has traded its manpower and its willingness to expose itself to UN counteraction for Soviet military and economic assistance, it has been a good bargain for both China and the USSR, the USSR not suffering open attack and China moving toward conquest and preeminence in the Far East. The Chinese have received military supplies, both capital and consumer goods, and technical assistance. The USSR has made up some of the deficiencies resulting from Western trade controls and has received strategic materials as well as strategic gains in return. Concurrent with its alienation from the West, however, Communist China is becoming economically dependent upon the USSR, and it will become increasingly vulnerable to Soviet pressure. Furthermore, China has opened its doors to Soviet military and civilian advisers who probably are the vanguard of Soviet agents with the mission of bringing China to heel. The current Soviet program of support, nevertheless, is such that Communist China is being enabled to cope with some of its own economic deficiencies and to move toward the achievement of its objectives.

9. How long the USSR will be willing and able to continue this program or to develop it further will depend on a variety of factors, such as the limitations of the USSR's resources, the USSR's probable unwillingness to weaken its own position to improve that of China or to permit China to become relatively stronger, the limited capacity and vulnerability of transport facilities, and the lack of Chinese ability to integrate and utilize new industrial capital effectively. If the USSR became involved in a general war, it is improbable that the program would be continued in any effective

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way; if China became involved in a general war and the USSR felt relatively safe from attack, the program would probably be continued, or even expanded, in order to enable Communist China to continue to sap Western resources and strength.

#### Determining Factors in Sino-Soviet Relations

10. Chinese Communist ties with the USSR would undoubtedly be strengthened if the US imposed a Naval blockade of the entire China coast or began a program of aerial bombardment of Chinese industry. New US assistance to Chiang Kai-shek, increasing UN opposition to Communist China, Soviet successes in Europe, remilitarization of Japan, accretions to US strength in the Far East, all would tend to make China more dependent on the USSR, more convinced of the threat of US policy to Chinese security, and more convinced of the necessity of strengthening its alliance with the USSR.

11. On the other hand, Chinese dependence upon, need for, and respect for the USSR would be weakened if the USSR failed to carry out its commitments to China (evacuation of the Kwantung Naval base, delivery of military and economic goods), or if the USSR acted with undue rashness in its propensity to interfere in Chinese internal affairs, to assert leadership of the Asian Communist movements, or to subvert the Chinese Communist Party and Army, or to take control over the economic resources of China. There is no evidence that the USSR has in fact overimposed upon the Chinese desire to cooperate with the USSR, and there is no reason to believe, so long as the USSR needs China to tie up US resources in the Far East and to protect its rear, that the USSR will do so.

12. Should friction develop between the USSR and Communist China, it would probably be over the issue of increasing Soviet control of Chinese economic and political

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life, particularly in Manchuria and, to a lesser degree, the other northern provinces. Manchuria, as the most important area of China both economically and strategically, has been the primary target of Soviet penetration, and it already enjoys a status of semi-autonomy within China. Although there is no evidence available of objection on the part of the Chinese Communist leaders to current trends in that area, rash or provocative action on the part of the USSR could presumably arouse resentment among the Chinese leaders.

#### Probable Future Course of Sino-Soviet Relations

13. It presently appears that, unless the USSR itself alienates China, China will adhere closely to the partnership primarily because it is a profitable alliance and there is no feasible alternative. Only if the USSR itself became weaker in comparison with the West and concurrently the Chinese Communists had reason to believe that they could retain their autonomy by an accommodation with the West, would the Chinese Communists have reason to break their alliance with the USSR.

#### Capability of Communist China to Pursue an Independent Course

14. If circumstances should develop during the next few years under which the Chinese Communists could reason that it would be profitable to break the alliance, they probably have the capability of doing so. The principle instrument of power, the Chinese Red Army, is the creation of the Chinese Communist leadership; its commanders are loyal and tested members of the inner circle; there is no evidence that it has yet been sufficiently subverted or penetrated by the USSR at the command level as to render it unreliable. The obstacles to Soviet penetration of the Chinese Communist Party and its re-

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lated organs are too great to be overcome in any reasonably short period of time even if such penetration is pursued vigorously. The circumstances which would give the Chinese leaders reason to consider an open break (comparatively declining Soviet strength and an olive branch from the West) would themselves contribute the other factors (assuming) the success of such a venture. Both the Chinese party and army have, however, been the objects of Soviet attention, and the ultimate capability of the Chinese Communists to break with the USSR will depend upon their loyalty as well as the economic and political circumstances at the time.

Probable Joint USSR-Chinese Courses of Action

15. So long, however, as Communist China and the USSR feel a need for each other and so long as Soviet power remains as the key to the achievement of Chinese Communist objectives, the two nations can be expected to maintain their partnership and to pursue a joint course of action. They will seek to secure Korea and Formosa; to conquer, dominate or subvert mainland Southeast Asia; to penetrate and subvert the Philippines and Indonesia; and to insure the neutralization of Japan. Conquest of Japan, although it could be accomplished jointly, would probably not be attempted unless both China and the USSR were prepared to accept a final and complete break with the West and a global war. On India and any other powers tending toward neutralism they will continue their pressure to subvert and to force into an accommodation, not by acceding to the ambitions of those countries, but by convincing them of the inevitability of the Communist triumph. It is only in the long-range power struggle between the USSR and the West that China's position

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cannot be said to be permanently fixed; it is only out of the developing policies, objectives, strengths, and dispositions of the resources of the US and the USSR that the ultimate position of China will be determined.

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